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ABSTRACT

Implementation of a thorough expatriate selection process and an effective cross-cultural training (CCT) program can reduce expatriate failure rates. The selection process must determine compatibility and receptiveness of an employee and his or her family to an assignment overseas through worldwide recruitment, companywide screening for international talent, creation of opportunities to gain international experience, and promotion to top-level management positions. The costs of a failed assignment are loss of time and business opportunities, damaged relations with the firm's constituencies in the foreign country, and long-term negative impact upon reputation in the regional area. The Usable Content Model is built upon the premise that length and content of an effective CCT program depends on length and type of expatriate assignment. Recognizing that corporate constraints tend to reduce course content and length of training, the Model takes into account both potential and usable content. Usable content is referred to as the Familiarization Training Approach (FTA) and the Harmonization Training Approach (HTA). Potential content is referred to as the Unification Training Approach (UTA). A 3- to 4-day FTA provides area and cultural briefings, films/books about the host country, and cultural sensitivity training. A 5- to 7-day HTA includes FTA content plus role playing, critical incidents, and case studies. A 3- to 5-week UTA includes HTA content plus complete cross-cultural training for the employee's family and an overseas trip to the host company. (Contains 43 references.) (YLB)

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# A Guide for Expatriate Training

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**A Backdrop**

When establishing any kind of training program it is important to determine the potential content. However, because of corporate constraints, the potential content normally does not comprise the usable content. In other words, the usable content tends to be less than the potential content because of constraints. These constraints include: time, personnel and budgetary limitations, facilities, and the attitude of senior management towards training. The relationship between potential and usable content can be expressed as:

**The Content Decision-Making Formula**

Usable Content = Potential Content - Constraints
(Finch 1989, 161)

Thus a cross-cultural training (CCT) program, like any training program, must balance the need to provide employees with the proper level of training weighted against corporate constraints. A tilt one way or the other could have detrimental repercussions upon the organization. Too much training is an unnecessary waste of corporate resources. Too little training could result in an expatriate failing to achieve the international strategic goals of the corporation. Before continuing into the realm of training and potential versus usable content, lets first try to examine why so many expatriate assignments fail. Expatriate failure can be defined as "the premature return of an expatriate manager to his or her home country" (Hill 1997, 522) or an expatriate who remains on his (or her) assignment for the entire duration but is considered ineffective. Current research tends to "suggest that between 16 to 40 percent of all the American employees sent

abroad return from their assignments early and each premature return costs over $100,000. In addition approximately 30 to 50 percent of American expatriates, whose average compensation package runs to $250,000 per annum, stay at their international assignments but are considered ineffective or marginally effective by their firm" (Hill 1997, 522).

In their book entitled Managing Human Resources, Luis Gomez-Mejia, David Balkin and Robert Cardy proposed six major factors that account for the high failure rate among expatriates.

1. Career Blockage – Many employees feel that a foreign assignment can side-track their career because their counterparts who remain at the company headquarters, "the heart" of the corporate decision-making power base, tend to have a greater probability of obtaining senior-level promotions.
2. Culture Shock – Many expatriates just cannot adjust to the different cultural environment in the host country.
3. Lack of Predeparture CCT – Only about one-third to one-half of U.S. multinationals provide CCT "and those that do tend to offer rather cursory programs" (Gomez-Mejia 1995, 606).
4. Overemphasis on Technical Qualifications – Lack of emphasis on the "human resource skills and abilities" of the individual being sent abroad.
5. Getting Rid of a Troublesome Employee – "International assignments may seem to be a convenience way of dealing with managers who are having problems in the home office" (Gomez-Mejia 1995, 606-607).
6. Family Problems – Many times the expatriate's spouse and (or) children are unable or

unwilling to adapt to life in a foreign country.

**A Suggestion for Reducing Expatriate Failure Rates**

A multinational corporation can reduce its expatriate failure rate by improving the expatriate selection process and establishing an effective CCT program:

| | | | | |
|---|---|---|---|---|
| **A Thorough Expatriate Selection Process** | + | **An Effective CCT Program** | = | **A Lower Expatriate Failure Rate** |

**Processes and Criteria for Selecting Expatriates**

The purpose of the selection process is to determine the compatibility and receptiveness of an employee and his (or her) family to an assignment overseas. A thorough selection process must also be capable of developing a pool of qualified candidates for international management positions. Ingo Theuerkauf developed a model, which illustrates the stages of a thorough selection process. The stages in the model include: recruiting worldwide, applying companywide screening for international talent, creating opportunities to gain substantial international experience, and finally, promoting to top level management positions (Czinkota 1996, 684).

**An Effective Cross-Cultural Training Program**

Cross-cultural training "fosters an understanding of the host country's culture, history, and heritage so that the expatriate can function accordingly. CCT can also provide the newly assigned expatriate with some understanding of the ways of doing business in the country of assignment which can be very different from the ways of doing business in the home country"

(Ashamalla 1997, 106-114).

A failed expatriate assignment can impose severe costs on a multinational corporation. These costs "include loss of time and business opportunities, damaged relations with the firm's constituencies in the foreign country and even a long-term negative impact upon the firm's reputation in the regional area" (Ashamalla 1997, 106-114). To avoid such costs, a multinational corporation should provide an expatriate with CCT. A guide for expatriate training is illustrated below.

**The Usable Content Model**

<table>
<tr><th>Length of Assignment</th><th>Special project</th><th>Organizational position within the corporate hierarchy</th></tr>
<tr><td rowspan="2">Less than six months</td><td>Familiarization Training Approach</td><td>Harmonization Training Approach</td></tr>
<tr><td>Length of training (3 to 4 days)</td><td>Length of training (5 to 7 days)</td></tr>
<tr><td rowspan="2">Greater than six months</td><td colspan="2">Length of training (3 to 5 weeks)</td></tr>
<tr><td colspan="2">Unification Training Approach</td></tr>
</table>

The Usable Content Model is built upon the premise that the length and content of an effective CCT program depends on the length and the type of expatriate assignment. The Usable Content Model also recognizes that corporate constraints tend to reduce both the course content and length of training provided to employees. Therefore, the Usable Content Model takes into account both potential and usable content. Potential content is referred to as the Unification Training Approach. Usable content is referred to as the Familiarization Training Approach and (or) the Harmonization Training Approach. The Familiarization Training Approach includes providing area briefings, cultural briefings, films/books about the host country, and cultural sensitivity training. The length of the Familiarization Training Approach is between three to four days. The Harmonization Training Approach includes the content of the Familiarization Training Approach plus role playing, critical incidents and case studies. The length of the Harmonization Training Approach is between five to seven days. The Unification Training Approach includes the content of the two previous training approaches plus complete CCT for the employee's family and an overseas trip to the host country. An overseas trip allows the employee and his (or her) family to obtain "firsthand" experience in their new environment. The length of the Unification Training Approach is between three to five weeks.

**The Conclusions of the Usable Content Model for Expatriate Training**

The Usable Content Model predicts that if the length of an expatriate assignment is less than

six months and the nature of the assignment is a special project then the effective CCT program should be the Familiarization Training Approach.

The Usable Content Model predicts that if the length of an expatriate assignment is less than six months and the nature of the assignment is to fill an organizational position within the corporate hierarchy then the effective CCT program should be the Harmonization Training Approach.

The Usable Content Model predicts that if the length of an expatriate assignment is greater than six months then the effective CCT program should be the Unification Approach.

As for any language training, the following guide is offered.

| **Length of Assignment** | **Host country's primary language is different from home country's primary language** | | **The expatriate can already communicate (oral & written) in the host country's language** | |
|---|---|---|---|---|
| | **Yes** | **No** | **Yes** | **No** |
| **Less than six months** | **Survival language training and use of interpreters** | **No training is necessary** | **No training is necessary** | **Survival language training and use of interpreters** |
| **Greater than six months** | **Extensive language training** | **No training is necessary** | **No training is necessary** | **Extensive language training** |

**A Closing Note and Some Suggestions for Additional Research**

Implementing a thorough expatriate selection process and an effective CCT program can reduce expatriate failure rates. A reduction in expatriate failure rates will allow multinational corporations to be more successful in achieving their international strategic objectives.

Additional research could focus upon the issue of whether the CCT content suggested in The Usable Content Model should be conducted in-house or if an outside training firm should be utilized. Another issue might involve the determination of whether the attitude of senior management towards CCT will turn more favorable as we approach the dawn of a new century.

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